

Marc S. Dreier (MD-9713)
 Joel A. Chernov (JC-8789)
 Regina M. Alter (RA-7014)
 DREIER LLP
 499 Park Avenue
 New York, New York 10022
 (212) 328-6100

Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT
 SOUTHERN DISTRICT OF NEW YORK


-----X	
ROBERTO BAUTISTA FRANCO BACCANELLI,	: 07 CV 3851 (TPG)
	:
Plaintiff,	: DECLARATION OF
	: ROBERTO BAUTISTA FRANCO
- against -	: BACCANELLI
	: IN SUPPORT OF MOTION
THE REPUBLIC OF ARGENTINA,	: <u>FOR SUMMARY JUDGMENT</u>
	:
Defendant.	:
-----X	

ROBERTO BAUTISTA FRANCO BACCANELLI declares under penalty of perjury as follows:

1. I am a citizen of The Republic of Argentina ("Argentina") and plaintiff in the above-captioned matter. I make this declaration in support of my motion for summary judgment as against Argentina. I have personal knowledge of the facts set forth below.

2. As set forth in the Complaint, it cannot be disputed that (i) I own the bonds upon which I have sued (the "Bonds"); (ii) Argentina has defaulted on its contractual obligations with respect to the Bonds; and (iii) Argentina has received a written notice of default accelerating Argentina's payment obligations. Accordingly, summary judgment is appropriate.

3. On August 17, 2001, I acquired the following Bonds issued by Argentina pursuant to a USD Discount Bond and Par Bond Fiscal Agency Agreement, dated as of April 7,



1993 (the "DPB FAA"):¹ (i) ISIN No. XS0043118172 in the aggregated principal amount of \$341,000; and (ii) ISIN No. XS0043119147 in the aggregated principal amount of \$972,000 (together, the "DPB Bonds"). The DPB Bonds are deposited under the name of my bank, Santander Private Banking, and have been booked electronically by Santander Private Banking in my name. A copy of my most recent account statement, for the period of September 1, 2007 to September 30, 2007, is annexed hereto as Exhibit 1. That statement indisputably shows that I continue to own the DPB Bonds.

4. Notwithstanding its payment obligations under the DPB Bonds, on or about December 20, 2001, Argentina announced an indefinite moratorium on the payment of principal and interest with respect to all of its foreign debt, including all payments due under the DPB Bonds.

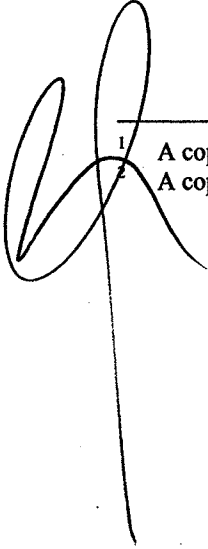
5. Pursuant to the "Form of Discount Bond and Par Bond," which is annexed as Exhibit 1 to the Collateralized Discount Bond and Par Bond Exchange Agreement, dated as of December 1992 (the "1992 Bond Form"),² the following, *inter alia*, are defined as "Events of Default":

(a) interest on any Bond is not paid when due and such default continues for a period of at least 30 days; or

(b) Argentina fails to pay the principal amount of any Bond called for redemption when due for a period of 15 days; or

...

(d) Argentina defaults in the performance of any other obligation contained in the Bonds or the other Principal Bond Agreements relating to the Bonds and such default shall continue for a period of 90 days after written notice thereof shall have been given to Argentina at the office of the Fiscal Agent by any registered holder; or


1 A copy of the DPB FAA is annexed to the Complaint as Exhibit A.

2 A copy of the 1992 Bond Form is annexed to the Complaint as Exhibit B.

(e) (i) the holders of 25% or more in aggregate outstanding principal amount of any issue or series of Publicly Issued External Indebtedness of Argentina or any Designated Argentine Governmental Agency (including any Other Bonds), as a result of any failure to pay the principal of, or interest on, such Publicly Issued External Indebtedness, accelerate such Publicly Issued External Indebtedness or declare such Publicly Issued External Indebtedness to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof and such acceleration, declaration or prepayment shall not have been annulled or rescinded within 30 days thereof or (ii) Argentina or any Designated Argentine Governmental Agency fails to pay the principal of any such Publicly Issued External Indebtedness when due (after expiration of any applicable grace period), or (iii) Argentina fails to pay any interest when due under any Other Bonds (after expiration of any applicable grace period); or

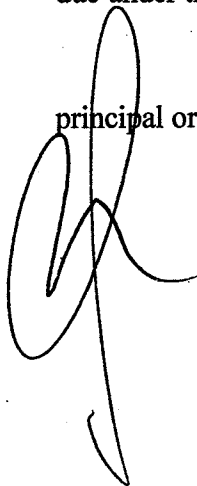
(f) Argentina declares a moratorium with respect to the payment of principal of, or interest on, Publicly Issued External Indebtedness or Argentina

1992 Bond Form at pp. 24-25.

6. The 1992 Bond Form further provides that "if such [Event of Default] is continuing, registered holders of 25% or more in aggregate outstanding principal amount of the [DPB] Bonds may, by written demand to Argentina at the office of the Fiscal Agent, declare the [DPB] Bonds immediately due and payable," together with all accrued interest. *See* 1992 Bond Form at p. 26.

7. In or about December 2001, Argentina declared a moratorium on the payment of principal and interest with respect to all of its foreign debt, including all payments due under the DPB Bonds.

8. Since December 2001, Argentina has failed to make any payment of principal or interest to me on the Bonds.

A large, stylized handwritten signature in black ink, located on the left side of the page, overlapping the text of paragraph 8.

9. In or about February 13, 2007, pursuant to Section 10(e) of the 1992 Bond Form, the Fiscal Agent communicated to the holders of the DPB Bonds that the Fiscal Agent received written communication from the holders of more than 25% of the principal amount outstanding of the DPB Bonds and that those holders have declared all of the DPB Bonds to be immediately due and payable (the "Notice").³

10. Based on the Notice, the principal and interest on the Bonds has become immediately due and payable.

11. Despite the Notice, however, Argentina failed to make any additional payment of principal or interest to me on the Bonds.

12. By reason of the foregoing, Argentina has defaulted on its obligations, and summary judgment is warranted as against it.

I declare under penalty of perjury under the laws of the United States of America that to the best of my knowledge the foregoing is true and correct.

Dated: October 30, 2007



ROBERTO BAUTISTA FRANCO BACCANELLI

³ A copy of the Notice is annexed to the Complaint as Exhibit C.

EXHIBIT 1



ROBERTO BAUTISTA FRANCO BACCANELLI
AVENIDA BELGRANO 367 PISO 11
1092 CAPITAL FEDERAL
BUENOS AIRES, ARGENTINA



1401 Brickell Avenue
Miami, FL 33131
www.pb.santander.com

Ciente 16682 ROBERTO BAUTISTA FRANCO BACCANELLI
Portfolio 1 USD - CUSTODY
Período 01-SEP-07 - 30-SEP-07

Renta fija

Bonos - Non-Investment grade/Not rated

Título	Nominal	Moneda	Fecha de compra	Costo unitario YTM inicial	Precio YTM actual	Valor de mercado	Intereses devengados	Saldo en divisa de referencia	% del total
REP ARGENTINA 0.0000 - MAT 10 JUN-02 CPN PMT ANUAL Rating: Moody Cal S&P Not Rated Security Identifier: US040114AH34	1,000,000.00	EUR	27-SEP-01	88.88 77.59	34.05 44.31	940,500.00	0.00	440,357.95	3.77%
REP ARGENTINA - GLOBAL 0.0000 - MAT 20-DEC-03 CPN PMT SEMESTRAL Rating: Moody Not Rated/ S&P D Security Identifier: US040114AH34	4,730,000.00	USD	23-MAY-02	45.87 74.93	33.62 -52.35	1,590,084.10	0.00	1,590,084.10	13.60%
ARGENTINA FRB% 31-MAR-05 -BEARER 0.0000 - MAT 31-MAR-05 CPN PMT SEMESTRAL Rating: Moody Not Rated/ S&P D Security Identifier: XS0043120236	2,908,000.00	USD	23-MAY-02	33.58 68.28	30.63 -90.31	890,575.00	0.00	498,722.00	4.27%
REP ARGENTINA XW -DEFAULTED 0.0000 - MAT 04-DEC-05 CPN PMT SEMESTRAL Rating: Moody Not Rated/ S&P D Security Identifier: US040114AZ32	4,200,000.00	USD	n.d	43.37 38.03	34.13 -107.58	1,433,250.00	0.00	1,433,250.00	12.26%
REP OF ARGENTINA 0.0000 - MAT 09-OCT-06 CPN PMT SEMESTRAL Rating: Moody Cal/ S&P D Security Identifier: US040114AN02	200,000.00	USD	23-MAY-02	66.00 11.77	35.31 -189.01	70,612.00	0.00	70,612.00	0.60%
REP ARGENTINA 0.0000 - MAT 19-DEC-08 CPN PMT SEMESTRAL Rating: Moody Cal/ S&P D Security Identifier: US040114GF14	360,000.00	USD	23-MAY-02	35.00 28.26	34.00 155.99	122,400.00	0.00	122,400.00	1.05%
REP ARGENTINA 0.0000 - MAT 07-APR-09 CPN PMT SEMESTRAL Rating: Moody Cal/ S&P D Security Identifier: US040114BE93	500,000.00	USD	23-MAY-02	61.50 9.11	35.50 117.64	177,500.00	0.00	177,500.00	1.52%

Cliente 16682 ROBERTO BAUTISTA FRANCO BACCANELLI
 Portfolio 1 USD - CUSTODY
 Período 01-SEP-07 - 30-SEP-07

1401 Brickell Avenue
 Miami, FL 33131
 www.pb.santander.com



Renta fija (continuación)

Bonos - Non-investment grade/Not rated

Título	Nominal	Moneda	Fecha de compra	Costo unitario YTM inicial	Precio YTM actual	Valor de mercado	Intereses devengados	Saldo en divisa de referencia	% del total
ARGENT-GLOBAL 0.0000 - MAT 30-JAN-17 CPN PMT SEMESTRAL Rating: Moody Cal S&P D Security Identifier: US040114AR16	200,000.00	USD	23-MAY-02	57.00 5.14	34.00 20.79	68,000.00	0.00	68,000.00	0.58%
ARGENT DISC -L VAR% 0.0000 - MAT 31-MAR-23 CPN PMT SEMESTRAL Rating: Moody Cal S&P D Security Identifier: XS0043118172	341,000.00 ✓	USD	14-AUG-01	60.56 2.97	35.25 11.62	120,202.50	0.00	120,202.50	1.03%
ARGENTINA PAR VAR% 0.0000 - MAT 31-MAR-23 CPN PMT SEMESTRAL Rating: Moody Cal S&P D Security Identifier: XS0043119147	972,000.00 ✕	USD	14-AUG-01	59.56 3.14	56.50 4.95	549,180.00	0.00	549,180.00	4.70%

Total bonos - Non-investment grade/Not rated

Total renta fija

ROBERTO BAUTISTA FRANCO BACCANELLI
AVENIDA BELGRANO 367 PISO 11
1092 CAPITAL FEDERAL
BUENOS AIRES, ARGENTINA

Client 16682 ROBERTO BAUTISTA FRANCO BACCANELLI
Portfolio 1 USD – CUSTODY
Period September 01, 2007 – September 30, 2007

1401 Brickell Avenue
Miami, FL 33131

www.pb.santander.com

Fixed Rent

Bonds – Non-investment grade / Not rated

Bond	Nominal	Currency	Date of Purchase	Unit Price Initial YTM	Price Current YTM	Market Value	Accrued Interest	Reference Currency Balance	Total %
REP ARGENTINA – GLOBAL 0.0000 – MAT 20-DEC-03 CPN PMT SEMESTRAL Rating: Moody Not Rated / S&P D Security Identifier: US040114AH34	4,730,000.00	USD	23-MAY-02	45.87 74.93	33.62 -52.35	1,590,084.10	0.00	1,590,084.10	13.60%
ARGENTINA FRB% 31-MAR-05 – BEARER 0.0000 – MAT 31-MAR-05 CPN PMT SEMESTRAL Rating: Moody Not Rated / S&P D Security Identifier: XS0043120236	2,908,000.00	USD	23-MAY-02	33.58 68.28	30.63 -90.31	890,575.00	0.00	498,722.00	4.27%
REP ARGENTINA XW – DEFAULTED 0.0000 – MAT 04-DEC-05 CPN PMT SEMESTRAL Rating: Moody Not Rated / S&P D Security Identifier: US040114AZ32	4,200,000.00	USD	N/A	43.37 38.03	34.13 -107.58	1,433,250.00	0.00	1,433,250.00	12.26%
REP OF ARGENTINA 0.0000 – MAT 09-OCT-06 CPN PMT SEMESTRAL Rating: Moody Ca / S&P D Security Identifier: US040114AN02	200,000.00	USD	23-MAY-02	66.00 11.77	35.31 -189.01	70,612.00	0.00	70,612.00	0.60%
REP ARGENTINA 0.0000 – MAT 19-DEC-08 CPN PMT SEMESTRAL Rating: Moody Ca / S&P D Security Identifier: US040114GF14	360,000.00	USD	23-MAY-02	35.00 28.26	34.00 155.99	122,400.00	0.00	122,400.00	1.05%
REP ARGENTINA 0.0000 – MAT 07-APR-09 CPN PMT SEMESTRAL Rating: Moody Ca / S&P D Security Identifier: US040114BE93	500,000.00	USD	23-MAY-02	61.50 9.11	35.00 117.64	177,500.00	0.00	177,500.00	1.52%

Client 16682 ROBERTO BAUTISTA FRANCO BACCANELLI
 Portfolio 1 USD – CUSTODY
 Period September 01, 2007 – September 30, 2007

Santander
 PRIVATE BANKING
 1401 Brickell Avenue
 Miami, FL 33131
www.pb.santander.com

Fixed Rent

Bonds – Non-investment grade / Not rated

Bond	Nominal	Currency	Date of Purchase	Unit Price Initial YTM	Price Current YTM	Market Value	Accrued Interest	Reference Currency Balance	Total %
ARGENT – GLOBAL 0.0000 – MAT 30-JAN-17 CPN PMT SEMESTRAL Rating: Moody Ca / S&P D Security Identifier: US040114AR16	200,000.00	USD	23-MAY-02	57.00 5.14	34.00 20.79	68,000.00	0.00	68,000.00	0.58%
ARGENT DISC –L VAR% 0.0000 – MAT 31-MAR-23 CPN PMT SEMESTRAL Rating: Moody Ca/ S&P D Security Identifier: XS0043118172	341,000.00	USD	14-AUG-01	60.56 2.97	35.25 11.62	120,202.50	0.00	120,202.50	1.03%
ARGENTINA PAR VAR % 0.0000 – MAT 31-MAR-23 CPN PMT SEMESTRAL Rating: Moody Ca/S&P D Security Identifier: XS0043119147	972,000.00	USD	14-AUG-01	59.56 3.14	56.50 4.95	549,180.00	0.00	549,180.00	4.70%
Total Bonds – Non-investment grade / Not rated									

Total Fixed Rent

EXHIBIT 2

DREIER^{LLP}

ATTORNEYS AT LAW

FILE COPY

Cara S. Mittleman
Direct 212 328 6119
cmittleman@dreierllp.com

May 14, 2007

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

The Republic of Argentina
c/o Deutsche Bank, as Fiscal Agent
60 Wall Street
New York, NY 10005

Attn. Mr. Stan Burg

Re: Notice of Acceleration

Dear Mr. Burg,

We write this letter on behalf of our client, Roberto Bautista Franco Baccanelli.

Mr. Baccanelli is the owner of certain bonds issued by the Republic of Argentina (the “Republic”) pursuant to a Par Bond Fiscal Agency Agreement, dated as of April 7, 1993 (the “DPB FAA”). In particular, Mr. Baccanelli is the owner of the following bonds issued by the Republic:

<u>Face Amount</u>	<u>ISIN No.</u>
\$ 341,000	XS0043118172
\$ 972,000	XS0043119147

Pursuant to page 26 of the “Form of the Global Bond”, which is annexed as Exhibit 1 to the Fiscal Agency Agreement, we hereby provide the Republic with notice that Mr. Baccanelli declares the principal of and interest on the foregoing bonds to be immediately due and payable. The entire corpus and interest earned to date should be forwarded to this firm, as counsel for Mr. Baccanelli.

Very truly yours,



Cara S. Mittleman

499 Park Avenue New York, New York 10022
Telephone 212 328 6100 Facsimile 212 328 6101
Los Angeles · Stamford · Albany
www.dreierllp.com